2004

ANNUAL REPORT

Operation of

Finance Companies Licensed

under the

California Finance Lenders Law

State of California

Business, Transportation and Housing Agency

Department of Corporations

STATE OF CALIFORNIA
ARNOLD SCHWARZENEGGER, Governor

BUSINESS, TRANSPORTATION AND HOUSING AGENCY

DEPARTMENT OF CORPORATIONS

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Acting California Corporations Commissioner

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July 6, 2005

This Report includes data submitted by lenders licensed under the Commercial Finance Lenders (CML) law, as well as lenders and brokers licensed under the Personal Property Brokers (PPB) law and Consumer Finance Lenders (CFL) law until July 1, 1995 and Finance Lenders for the balance of the 1995 calendar year.

Effective July 1, 1995, the PPB, CFL, and CML laws were consolidated without substantive change into a single regulatory program, the CALIFORNIA FINANCE LENDERS LAW. This report is a composite of annual reports of California's lender and broker licensees for the calendar year ended December 31, 2004 submitted in compliance with Section 22159 of the California Finance Lenders Law.

This Report is based on unaudited data presented by licensees and submitted in a format prescribed by the Department of Corporations. While the format of the financial information presented in the Report follows that of conventional financial statements, the reader should be aware that the data contained herein is primarily statistical in nature.

Statistical data compilations required of licensees have been modified to provide more meaningful statistics. Comparison of such data with prior years will be left to the reader.

AS OF	NUMBER OF LICENSEES
DECEMBER 31, 1995	4,735
DECEMBER 31, 1996	4,424
DECEMBER 31, 1997	4,404
DECEMBER 31, 1998	4,180
DECEMBER 31, 1999	3,829
DECEMBER 31, 2000	3,789
DECEMBER 31, 2001	3,732
DECEMBER 31, 2002	4,110
DECEMBER 31, 2003	4,608
DECEMBER 31, 2004	5,342

STATISTICAL INFORMATION
Average Size of Loans

PERSONAL PROPERTY BROKERS					
	Number	Principal	Average Size of Loans Made		
Calendar	of Loans	Amount of	Consumer	Commercial	All
Year	Made	Loans Made	Loans	Loans	Loans
1993	543,540	$ 2,627,448,351	$ 2,002	$ 44,536	$ 4,834
1994	337,175	3,298,179,224	17,818	8,513	9,782

CONSUMER FINANCE LENDERS			
	Number	Principal	
Calendar	of Loans	Amount of	
Year	Made	Loans Made	Average Size of Loans Made
1993	896,835	$ 23,383,765,928	$ 26,074
1994	1,504,523	24,780,150,081	16,470

COMMERCIAL FINANCE LENDERS			
	Number	Principal	
Calendar	of Loans	Amount of	
Year	Made	Loans Made	Average Size of Loans Made
1993	64,915	$ 27,736,658,256	$ 427,277
1994	192,420	17,740,069,588	92,195

CALIFORNIA FINANCE LENDERS					
	Number	Principal	Average Size of Loans Made		
Calendar	of Loans	Amount of	Consumer	Commercial	All
Year	Made	Loans Made	Loans	Loans	Loans
1995	2,601,815	$ 53,859,078,047	$ 10,843	$ 41,112	$ 20,701
1996	2,831,313	56,384,220,436	7,147	46,380	19,915
1997	3,078,334	79,336,869,590	11,312	47,287	25,773
1998	2,912,288	96,772,880,848	21,510	45,945	33,229
1999	3,032,409	106,276,270,474	21,881	56,110	35,047
2000	3,006,443	87,886,670,201	15,456	48,173	29,233
2001	3,530,073	137,947,617,838	20,699	64,389	39,078
2002	3,522,892	179,873,083,672	27,363	78,928	51,058
2003	5,140,316	278,153,215,784	28,264	96,559	54,112
2004	4,167,772	246,616,649,910	50,861	68,536	59,172

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CALIFORNIA FINANCE LENDERS

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EXHIBIT A
CALIFORNIA FINANCE LENDERS
BALANCE SHEET
AS OF DECEMBER 31, 2004
(in thousands)

ASSETS			% of Total Assets
Cash	$	87,690,395	3.06
Investments		400,555,216	13.99
California Finance Lender Loan Receivables		122,223,080	4.27
Other Receivables		1,238,609,935	43.27
Reserves and Withholds by Banks and Finance Companies		4,676,976	0.16
Real and Personal Property (Net)		89,588,977	3.13
Prepaid Expenses and Deferred Charges		7,586,577	0.27
Commissions Receivables		858,847	0.03
Other Assets		910,983,725	31.82
Total Assets	$	2,862,773,730	100.00

LIABILITIES AND NET WORTH			% of Total Liabilities and Net Worth
Loans and Notes Payable from Third Parties	$	482,160,254	16.84
Loans and Notes Payable from Parent Companies, Affiliates, etc.		572,692,650	20.00
Bonds, Debentures, Notes and Certificates of Indebtedness		552,164,940	19.29
Accounts Payable		190,529,220	6.66
Dealers Reserves and Withholds		1,468,577	0.05
Accrued Taxes Other Than Income Tax		2,557,126	0.09
Reserve for Income Taxes		51,072,666	1.78
Credit Insurance Premiums Due Insurer		15,573	0.00
Other Liabilities and Accruals		726,091,915	25.36
Total Liabilities		2,578,752,922	90.08
Net Worth		284,020,808	9.92
Total Liabilities and Net Worth	$	2,862,773,730	100.00

EXHIBIT B
CALIFORNIA FINANCE LENDERS
ANALYSIS OF LOANS AND RECEIVABLES OUTSTANDING
AS OF DECEMBER 31, 2004
(in thousands)

	Aggregate Balance	% of Subtotal
CALIFORNIA FINANCE LENDER LOAN RECEIVABLES		
Consumer Loans	$ 68,159,893	54.43
Commercial Loans	57,058,308	45.57
Subtotal	$ 125,218,201	100.00
Less: Unearned Pre-computed Charges	1,180,768	
Allowance for Bad Debts	1,814,353	
Net California Finance Lender Loan Receivables	$ 122,223,080	

OTHER RECEIVABLES		
Sales Contracts	$ 258,938,295	20.51
Leases (True Leases)	84,445,560	6.69
Factoring	14,209,512	1.13
Other	904,598,900	71.67
Subtotal	$ 1,262,192,267	100.00
Less: Unearned Pre-computed Charges and Discounts	8,511,019	
Allowance for Bad Debts	15,071,313	
Net Other Receivables	$ 1,238,609,935	

EXHIBIT C
CALIFORNIA FINANCE LENDERS
STATEMENT OF INCOME AND EXPENSES
FOR CALENDAR YEAR 2004
(in thousands)

		% of Total Income
INCOME		
Gross Income from California Finance Lender Loans and California Finance Lender Brokered Loans	$ 10,171,986	3.04
Gross Income from All Other Business and Sources	324,613,423	96.96
Total Gross Income	$ 334,785,410	100.00
EXPENSES		
Advertising and Promotion	$ 3,040,416	0.91
Professional Audit and Accounting Services	1,067,835	0.32
Insurance and Bond Premiums	803,631	0.24
Legal Services and Expenses	1,167,018	0.35
Occupancy Expenses	2,879,643	0.86
Provision for Bad Debt Allowance	10,020,867	2.99
Salaries and Bonuses: Employees	40,333,003	12.05
Salaries and Bonuses: Owners, Partners, Executives	1,087,185	0.32
Depreciation	18,913,779	5.65
License Fees and Taxes	(368,845) *	(0.11)
Telephone and Utilities	938,801	0.28
Travel	1,093,412	0.33
Other Expenses	140,892,966	42.08
Total Expenses before Interest and Income Taxes	$ 221,869,711	66.27
Income before Intrerest and Income Taxes	$ 112,915,699	33.73
Less: Interest Paid to Bona Fide Third Parties	44,325,847	13.24
Interest Paid to Parent Company, Affiliates and Others	16,091,320	4.81
Income before Income Taxes	$ 52,498,532	15.68
Less: Provision for Income Taxes	13,436,168	4.01
Net Income	$ 39,062,364	11.67

* = A large company reported a tax credit of $900 million.

EXHIBIT D
CALIFORNIA FINANCE LENDERS
ANALYSIS OF INCOME RECEIVED
FOR CALENDAR YEAR 2004
(in thousands)

CFL LOANS AND CFL BROKERED LOANS	Loans Under $2,500	Loans $2,500 and Over	Total
CONSUMER LOANS			
Charges Earned on Loans	$ 166,599	$ 4,854,671	$ 5,021,270
Collection from Charged Off Accounts	1,151	28,241	29,392
Income from Credit Insurance	8	597	605
Other Insurance Commissions	27	884	911
Administrative Fees	271	289,432	289,704
Commissions from Loan Brokering	120	232,113	232,233
Other Income	1,590	268,988	270,577
Income from Consumer Loans	$ 169,767	$ 5,674,926	$ 5,844,692
COMMERCIAL LOANS			
Charges Earned on Loans			$ 3,895,394
Collection from Charged Off Accounts			15,627
Income from Credit Insurance			8
Other Insurance Commissions			154
Commissions from Loan Brokering			17,265
Other Income			398,847
Income from Commercial Loans			$ 4,327,294
Total Income from All Loans			$ 10,171,986

ALL OTHER BUSINESS AND SOURCES	
Charges Earned on Loans	$ 79,390,897
Other Interest or Return on Investments	16,641,944
Collection from Charged Off Accounts	128,693
Income from Credit Insurance	2,977
Other Insurance Commissions	38,837
Other Income Relating to Loans	228,410,075
Total Income from All Other Business and Sources	$ 324,613,423

EXHIBIT E
CALIFORNIA FINANCE LENDERS
LOANS MADE OR REFINANCED BY SIZE
FOR CALENDAR YEAR 2004

Size of Loan	Number of Loans	% of Total Number	Principal Amount (in thousands)	% of Total Amount
CONSUMER LOANS				
$ 499 or less	932,598	42.24	$ 293,227	0.26
500 to 1,999	117,389	5.32	130,265	0.12
2,000 to 2,499	16,073	0.73	35,883	0.03
2,500 to 4,999	124,038	5.62	428,358	0.38
5,000 to 9,999	186,693	8.46	1,232,936	1.10
10,000 or more	831,129	37.64	110,175,855	98.11
Total Consumer Loans Made	2,207,920	100.00	$ 112,296,524	100.00
COMMERCIAL LOANS				
$5,000 or more	1,959,852	100.00	$ 134,320,125	100.00
Total Commercial Loans Made	1,959,852	100.00	$ 134,320,125	100.00
Total Loans Made, All Categories	4,167,772		$ 246,616,650	

EXHIBIT F
CALIFORNIA FINANCE LENDERS
LOANS MADE OR REFINANCED BY TYPE OF SECURITY
FOR CALENDAR YEAR 2004

Type of Security	Number of Loans	% of Total Number	Principal Amount (in thousands)	% of Total Amount
CONSUMER LOANS				
LOANS UNDER $2,500				
Unsecured	980,415	91.97	$ 213,067	46.38
Personal Property	65,818	6.17	55,741	12.13
Automobiles & Other Motor Vehicles	9,389	0.88	12,334	2.68
Wage Assignments	101	0.01	105	0.02
Other Security	10,337	0.97	178,129	38.78
Total Loans Made	1,066,060	100.00	$ 459,375	100.00
LOANS OF $2,500 TO $4,999				
Unsecured	69,061	55.68	$ 237,350	55.41
Personal Property	24,291	19.58	86,631	20.22
Automobiles & Other Motor Vehicles	18,510	14.92	67,448	15.75
Wage Assignments	32	0.03	96	0.02
Other Security	12,144	9.79	36,833	8.60
Total Loans Made	124,038	100.00	$ 428,358	100.00
LOANS OF $5,000 TO $9,999				
Unsecured	131,290	70.32	$ 842,550	68.34
Personal Property	11,488	6.15	69,460	5.63
Automobiles & Other Motor Vehicles	38,987	20.88	287,656	23.33
Wage Assignments	30	0.02	182	0.01
Real Property	4,129	2.21	27,561	2.24
Other Security	769	0.41	5,528	0.45
Total Loans Made	186,693	100.00	$ 1,232,936	100.00
LOANS OF $10,000 AND MORE				
Unsecured	30,916	3.72	$ 682,295	0.62
Personal Property	2,978	0.36	741,030	0.67
Automobiles & Other Motor Vehicles	354,121	42.61	7,948,503	7.21
Wage Assignments	66	0.01	13,975	0.01
Real Property	430,830	51.84	99,090,041	89.94
Other Security	12,218	1.47	1,700,012	1.54
Total Loans Made	831,129	100.00	$ 110,175,855	100.00
Total Consumer Loans Made	2,207,920		$ 112,296,524	

EXHIBIT F
(Continuation)
CALIFORNIA FINANCE LENDERS
LOANS MADE OR REFINANCED BY TYPE OF SECURITY
FOR CALENDAR YEAR 2004

Type of Security	Number of Loans	% of Total Number	Principal Amount (in thousands)	% of Total Amount
COMMERCIAL LOANS				
Unsecured	110,914	5.66	$ 5,131,204	3.82
Personal Property	6,611	0.34	1,505,771	1.12
Automobiles & Other Motor Vehicles	1,234,092	62.97	33,616,653	25.03
Business Equipment	84,999	4.34	3,264,670	2.43
Real Property	276,573	14.11	72,750,387	54.16
Other Security	246,663	12.59	18,051,441	13.44
Total Commercial Loans Made	1,959,852	100.00	$ 134,320,125	100.00
Total Loans Made, All Categories	4,167,772		$ 246,616,650	

EXHIBIT G
CALIFORNIA FINANCE LENDERS
LOANS MADE OR REFINANCED BY RATES CHARGED
FOR CALENDAR YEAR 2004

Rates Charged	Number of Loans	% of Total Number	Principal Amount (in thousands)	% of Total Amount
CONSUMER LOANS				
LOANS UNDER $2,500				
Step Rate:				
2 1/2 - 2 - 1 1/2 - 1% per month	29,413	2.76	$ 7,039	1.53
Alternate Rate:				
1.6% per month	9,503	0.89	2,552	0.56
Federal Reserve Bank Rate plus 10%	0	0.00	0	0.00
Other Rates:				
Up to 14.999 APR	47,503	4.46	57,375	12.49
15.000 to 19.999 APR	48,613	4.56	48,129	10.48
20.000 to 24.999 APR	881,669	82.70	128,979	28.08
25.000 to 29.999 APR	17,216	1.61	19,437	4.23
30.000 to 34.999 APR	28,954	2.72	20,587	4.48
35.000 to 39.999 APR	474	0.04	356	0.08
40.000 or More APR	2,069	0.19	165,375	36.00
Variable Rates Based on Index	646	0.06	9,545	2.08
Total Loans Made	1,066,060	100.00	$ 459,375	100.00
LOANS OF $2,500 TO $4,999				
Up to 14.999 APR	23,663	19.08	$ 93,803	21.90
15.000 to 19.999 APR	19,226	15.50	57,137	13.34
20.000 to 24.999 APR	20,848	16.81	74,637	17.42
25.000 to 29.999 APR	47,557	38.34	163,938	38.27
30.000 to 34.999 APR	4,833	3.90	15,817	3.69
35.000 to 39.999 APR	379	0.31	1,058	0.25
40.000 or More APR	7,318	5.90	21,027	4.91
Variable Rates Based on Index	214	0.17	942	0.22
Total Loans Made	124,038	100.00	$ 428,358	100.00
LOANS OF $5,000 TO $9,999				
Up to 14.999 APR	52,753	28.26	$ 381,789	30.97
15.000 to 19.999 APR	23,112	12.38	158,307	12.84
20.000 to 24.999 APR	24,044	12.88	156,114	12.66
25.000 to 29.999 APR	77,284	41.40	486,657	39.47
30.000 to 34.999 APR	272	0.15	1,660	0.13
35.000 to 39.999 APR	9	0.00	53	0.00
40.000 or More APR	6,030	3.23	32,033	2.60
Variable Rates Based on Index	3,189	1.71	16,322	1.32
Total Loans Made	186,693	100.00	$ 1,232,936	100.00
LOANS OF $10,000 AND MORE				
Up to 14.999 APR	663,602	79.84	$ 77,077,360	69.96
15.000 to 19.999 APR	19,749	2.38	386,297	0.35
20.000 to 24.999 APR	8,528	1.03	124,342	0.11
25.000 to 29.999 APR	8,907	1.07	115,410	0.10
30.000 to 34.999 APR	531	0.06	5,826	0.01
35.000 to 39.999 APR	2,350	0.28	108,964	0.10
40.000 or More APR	1,841	0.22	323,248	0.29
Variable Rates Based on Index	125,621	15.11	32,034,409	29.08
Total Loans Made	831,129	100.00	$ 110,175,855	100.00
Total Consumer Loans Made	2,207,920		$ 112,296,524	

EXHIBIT G
(Continuation)
CALIFORNIA FINANCE LENDERS
LOANS MADE OR REFINANCED BY RATES CHARGED
FOR CALENDAR YEAR 2004

Rates Charged	Number of Loans	% of Total Number	Principal Amount (in thousands)	% of Total Amount
COMMERCIAL LOANS				
Up to 14.999 APR	373,859	19.08	$ 72,492,166	53.97
15.000 to 19.999 APR	20,283	1.03	917,697	0.68
20.000 to 24.999 APR	10,923	0.56	218,488	0.16
25.000 to 29.999 APR	5,093	0.26	116,600	0.09
30.000 to 34.999 APR	2,735	0.14	228,618	0.17
35.000 to 39.999 APR	591	0.03	26,013	0.02
40.000 or More APR	1,498	0.08	2,885,916	2.15
Variable Rates Based on Index	1,544,870	78.83	57,434,628	42.76
Total Commercial Loans Made	1,959,852	100.00	$ 134,320,125	100.00
Total Loans Made, All Categories	4,167,772		$ 246,616,650	